

STATE SENATOR • MARK SCHAUER • 19TH DISTRICT

Schauer Press Release



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Schauer Calls for Public Scrutiny of Auto Insurance Fee *Drivers to receive \$30 increase in annual auto insurance rates*

LANSING – Due to this week’s announcement that Michigan motorists will see a \$30 increase in their auto insurance rates, State Senator Mark Schauer (D-Battle Creek) is renewing his call for the Michigan Catastrophic Claims Association (MCCA) to be subject to the Freedom of Information Act and the Open Meetings Act.

“Auto insurance policy owners are completely at the mercy of this mandatory fee and its subjective increases,” Schauer said. “Especially during these tough economic times, the MCCA Board needs to allow light to shine on their fee assessment process and stop keeping consumers in the dark.”

This year’s MCCA total assessment increased \$30, from \$69 to \$100.20. This is the highest total assessment rate since 1993. Since January 1, 2001, the annual MCCA fee has increased, on average, \$23.65 per year. Every auto insurance policyholder in the state pays the MCCA assessment. The amount is set each year by insurance industry representatives in a closed meeting.

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The MCCA assesses the fee to cover auto accident medical expenses over \$300,000. Since its inception in 1978, the fee has ranged from \$3 to \$118 per vehicle.

“The wildly fluctuating MCCA fees are a real source of frustration for consumers, especially since they are not allowed to see how the fees are set,” Schauer said.

Schauer is the Senate Democratic Floor Leader. He represents the 19th District, which includes all of Calhoun County and most of Jackson County.

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